

State Freight System Solutions for Consideration

- Washington State shippers' and truck carriers' top priorities for investment in the state's freight system:
- Preserve the I-5 Corridor in Central Puget Sound and actively manage it to gain operational efficiencies.
 - Complete the missing link between Highway 509 and I-5 to create a third major truck route into the Seattle metro region.
 - Construct the link between Highway 167 and I-5/Port of Tacoma and continue to improve the I-405/Highway 167 Corridor.
 - Maintain freight capacity on the Alaskan Way Viaduct corridor so trucks aren't shifted to I-5.

- In order to connect both sides of the state and ship agricultural products to market year round, freight stakeholders' priorities are:
- Improve I-90 over Snoqualmie Pass to prevent severe weather closures.
 - Develop and fund a statewide core all-weather county road system.

Develop a strategic plan for the state's investment in the rail system and negotiate with stakeholders to implement the plan.

At the regional level, the state may partner with stakeholders to:

- Provide intermodal connections,
- Support regional economic development, and
- Build grade separations.

Key Freight System Contacts for Columbia Basin and North Central Washington

American Short Line and Regional Railroad Association – (202) 585-3442	State of Washington Freight Mobility Strategic Investment Board (FMSIB) – (360) 586-9695
Association of American Railroads – (202) 639-2100	Washington Food Industry – (360) 753-5177
Association of Washington Business – (360) 943-1600	Washington Public Ports Association– (360) 943-0760
Association of Washington Cities – (360) 753-4137	Washington State Department of Agriculture - (360) 902-1800
Benton-Franklin Council of Governments and Benton-Franklin-Walla Walla Regional Transportation Planning Organization – (509) 943-9185	Washington State Department of Natural Resources – (360) 902-1004
Chambers of Commerce: Ellensburg Chamber of Commerce - (509) 925-2002 Greater Yakima Chamber of Commerce - (509) 248-2021 Tri-City Regional Chamber of Commerce - (509) 736-0510 Wenatchee Valley Chamber of Commerce - (509) 662-2116	Washington State Department of Transportation: Eastern Region - (509) 324-6000 Freight Systems Division – (360) 705-7932 North Central Region – (509) 667-3000 South Central Region – (509) 577-1600 Southwest Region – (360) 905-2001 Tribal Liaison – (360) 705-7025
County Road Administration Board – (360) 753-5989	Washington State Fruit Commission – (509) 453-4837
Economic Development Councils (EDC): Grant County Economic Development Council – (509) 764-6579 Klickitat County Economic Development – (509) 773-7060 Palouse Economic Development Council – (509) 751-9144 Tri-City Industrial Development Council - (509) 735-1000	Washington State Potato Commission – (509) 765-8845
Northwest Food Processors Association – (503) 327-2200	Washington State University Strategic Freight Transportation Analysis – (509) 335-1608
Northwest Grocery Association – (505) 685-6293	Washington Trucking Association – (253) 838-1650
Northeast Washington Regional Transportation Planning Organization and Tri-County Economic Development Council – (509) 684-4571	Washington Wheat Commission – (509) 456-2481
Pacific Northwest Waterways Association - (503) 234-8550	Washington Wine Commission – (206) 667-9463
Quad-County Regional Transportation Planning Organization – (509) 725-7041	Wenatchee Valley Transportation Council and North Central Regional Transportation Planning Organization – (509) 663-9059
Southwest Washington Regional Transportation Council - (360) 397-6067	Yakima County Development Association - (509) 575-1140
	Yakima Valley Conference of Governments – (509) 574-1550

More Information:

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Freight and the Economy of Columbia Basin and North Central Washington

The three components of Columbia Basin and North Central Washington's freight system:

- I. **Global Gateways** – International and National Trade Flows Through Columbia Basin and North Central Washington
- II. **Made in Columbia Basin and North Central Washington** – Regional Economies Rely on the Freight System
- III. **Delivering Goods to You** – The Retail and Wholesale Distribution System in Columbia Basin and North Central Washington

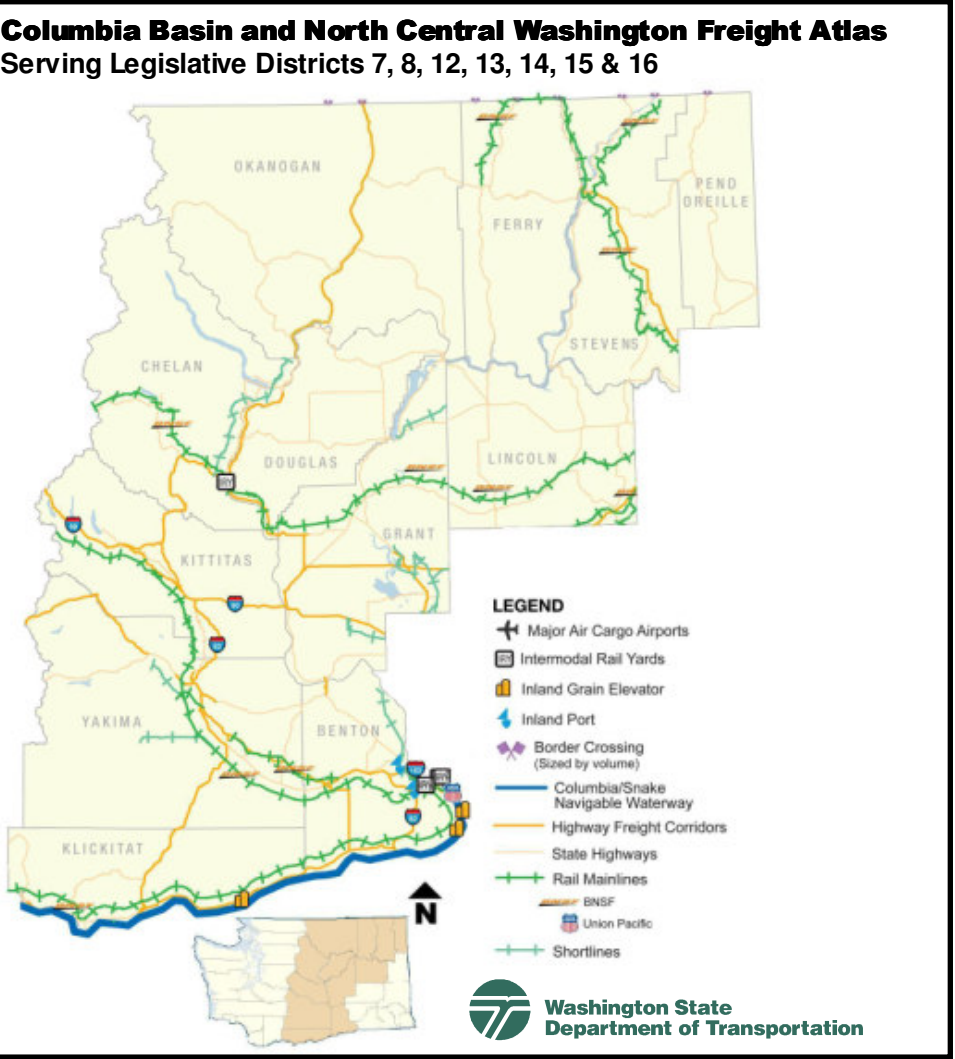
underpin national, state, and regional economies; support national defense; directly sustain hundreds of thousands of jobs; and distribute the necessities of life to every resident of the region everyday.

I. 'Global Gateways' – International and National Trade Flows Through Columbia Basin and North Central Washington

- Washington State is an important and growing gateway for trade access to the Pacific Rim, Canada and U.S.
- Columbia Basin and North Central Washington's global gateways freight system serves the national economy and national defense.
- It also provides competitive advantage for logistics and trade, manufacturing, agribusiness and timber/wood products sectors.

Columbia River ports in the region's south play important roles in the movement of exported agricultural products. The Columbia-Snake River barge system is the world's second largest grain export system and the United State's largest wheat export system. It carries 40 percent of all U.S. wheat exports and over 60 percent of eastern Washington wheat.

The Yakima Firing Range, the only large firing training center on the West Coast, serves as an overflow site for Fort Lewis staging if force deployment at Fort Lewis reaches capacity. The military's ability to efficiently move freight in and through Columbia Basin and North Central



Washington is dependent on the Interstate 90 and Interstate 5 corridors, and the BNSF Railway Company and UP Railroad system.

Washington’s east-west mainline rail corridors run through Columbia Basin and North Central Washington. They are used to ship Midwest grain trains to ports for export, and international containers from the Central Puget Sound ports to the big consumer markets in the Midwest and East Coast of the U.S. The system is reaching capacity limits and growth is projected to continue. The annual volume of containers coming through the Central Puget Sound ports is expected to more than double from 2002 to 2025. More than 70 percent of these containers are transferred to rail for delivery to the Midwest and/ or East Coast consumers.

Many of Washington’s smaller companies don’t produce unit-train quantities, so they no longer get direct rail service. They’ll have to adapt to BNSF Railway’s and UP’s new business model by using intermodal centers, buying their own equipment, or building storage tracks.

Challenges Facing Columbia Basin and North Central Washington’s ‘Global Gateways’ Freight System

- The Columbia – Snake River waterway needs a funded strategic maintenance plan.
- The mainline rail companies, BNSF Railway Company and UP Railroad, are reaching their capacity limits in Washington State and across the U.S.
- Smaller shippers are having trouble adapting to BNSF and UP Railroads’ new business model, which requires that railroad cars are aggregated into 100 to 150 unit trains.
- More and more BNSF and UP trains are crossing the state, so there are more trains blocking local traffic.
- There are deficiencies on the core freight system grid in Central Puget Sound.

II. ‘Made in Columbia Basin and North Central Washington’ – Regional Economies Rely on the Freight System

Columbia Basin and North Central Washington’s own farmers, manufacturers and resource-based industries rely on the freight system to ship regionally-made products to local customers, to the big U.S. markets in California and on the east coast, and worldwide. Over 133,000 jobs in Columbia Basin and North Central Washington relied on the freight system in 2005.

The region is a national center for agricultural production. Transportation is especially important for Washington agriculture because the state produces about three times as much food – and for some commodities up to twenty times as much on a tonnage basis – as it consumes, and it is separated by long distances from the majority of the nation’s consumers.

133,058 Jobs Rely on Freight in Columbia Basin and North Central Washington		
	Jobs	Average Wage
Agricluture	51,371	\$22,054
Forestry and Mining	765	\$31,233
Manufacturing	21,379	\$37,906
Construction	13,213	\$33,169
Wholesale and Retail Trade	40,123	\$27,816
Transportation and Warehousing	5,707	\$31,538
Military**	500	\$17,800

* Office of Financial Management (OFM), 2006. Benton, Chelan, Douglas, Ferry, Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Stevens, and Yakima County.
** Military employment for Yakima County, 2003.

The Columbia Basin/North Central Washington agricultural center leads the nation in apple and potato production. Washington ranks first in U.S. apple production, with \$1.2 billion in annual sales; 31 percent exported to international markets. Washington also ranks second in U.S. potato production, with \$3 billion in annual sales of potatoes/products; 90 percent consumed in U.S. Apples and potatoes must be shipped in refrigerated truck or rail cars; 90 percent are trucked to market. Over 80,000 refrigerated truckloads of potatoes and 43,000 refrigerated truckloads of apples were shipped from Washington to East Coast markets in 2000.

Much of Washington’s onion and hay crops are produced and processed in the Columbia Basin, with statewide values of \$111 million and \$366 million in 2005, respectively. Washington State hay is primarily exported to Asia. Product moves via Interstate 90 to the Port of Seattle and Port of Tacoma for export.

The region is well known for a variety of other tree fruit and commodities, such as sweet cherries and pears. The South Central region grows 90 percent of Washington grapes for wine production. Washington is the second largest premium wine producer in the United States, producing 18 million gallons with a retail value of \$685 million per year.

Columbia Basin Farmer Loading Potatoes



Forestry and resource-based industries, as well as manufacturing, drive the economies on tribal lands and in Northeast Washington counties. However, these freight-dependent industries can’t ship their products to market for up to two months per year due to weight restrictions on local roads during the spring thaw.

Columbia Basin and North Central Washington’s manufacturers, agricultural growers and processors, and distributors use I-90 as the primary east-west freight route, and cite severe winter weather closures on I-90 at Snoqualmie Pass as their top freight issue. For example, dairy farmers in Central Washington deliver to Central Puget Sound markets and have no farm storage capacity; pass closures cause them to dump product. More than 37 percent of truck trips originating in the Columbia Basin and North Central Washington were destined for the Central Puget Sound in 2002.

All of North Central Washington agriculture companies surveyed by WSDOT in 2007 indicated that the state freight system and infrastructure is highly important to their success and growth. Cost per move was the single most important requirement for 50 percent of companies, and general rail capacity for almost 30 percent of companies surveyed. Only 40 percent of North Central Washington agriculture companies are highly satisfied with the current level of freight performance – which is the lowest satisfaction ranking of any industry segment across the state. Satisfaction was also low with manufacturing, trucking and wholesale companies (ranging from 48 percent to 64 percent satisfied). Their top requirements are on-time delivery and cost per move.

Challenges Facing the ‘Made in Columbia Basin and North Central Washington’ Freight System

- Companies have no practical alternative to Washington’s most heavily used north-south freight routes and Interstate 90.
- Smaller shippers are having trouble adapting to BNSF and UP Railroads’ new business model, which requires that railroad cars are aggregated into 100 to 150 unit trains.
- Local roads are closed or weight restricted to heavy trucks for up to two months a year during spring thaw.
- A solution is needed for refrigerated truck and railcar shortages.
- The Columbia – Snake River waterway needs a funded strategic maintenance plan.

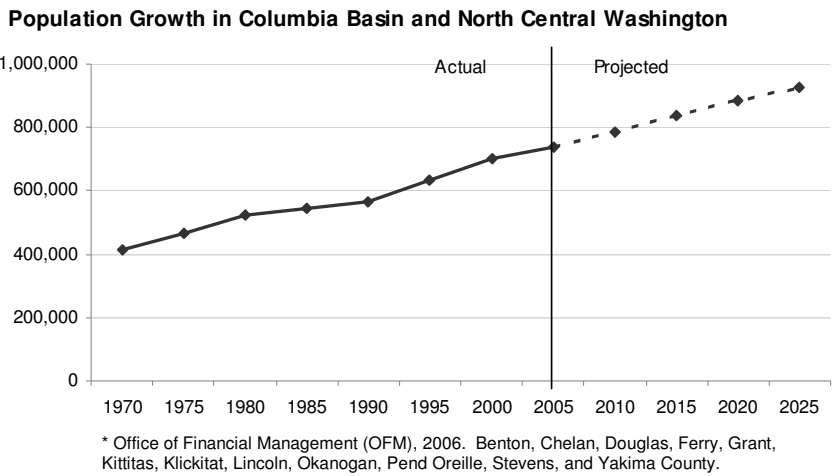
III. ‘Delivering Goods to You’ – The Retail and Wholesale Distribution System in Columbia Basin and North Central Washington

The greatest volume of trucks on roads and highways serve the daily needs of consumers through the wholesale and retail distribution system. Up to 80 percent of all truck trips in urban areas serve the retail, wholesale and business services sectors. An enormous variety of goods are handled on this system; food and groceries, fuel, pharmaceuticals and medical supplies, retail stock, office supplies and documents, trash and garbage, construction materials and equipment.

Every resident in North Central Washington depends on the freight distribution system for daily necessities, from fuel at the gas station to garbage and refuse pick-up. Grocery stores, restaurants, gas stations and retail stores receive thousands of deliveries – all by truck – to provide goods for consumers everyday. A typical large grocery store receives two big semi-tractor-trailer deliveries and ten to twenty other specialized deliveries per day. These establishments also generate revenue and provide jobs in North Central Washington. In 2005 retail and wholesale firms provided 40,000 jobs in the region.

Distribution companies must provide fast and ubiquitous service that is reliable under all conditions. Most are coming from the state’s major distribution hubs in Central Puget Sound. These companies rely on Interstate 90 and the core freight system grid to reach population centers. Spokane is also growing as a distribution hub for eastern Washington.

Population and employment growth in Columbia Basin and North Central Washington will increase the need for distribution services. The region’s 2006 population of 748,000 will grow to an estimated 844,000 by 2025; over 33 percent of population is in Yakima County.



Challenges Facing Columbia Basin and North Central Washington’s ‘Delivering Goods to You’ Freight System

- High-value, time-critical deliveries must move quickly through the freight distribution system.
- In order to support population and economic growth, companies must be able to provide goods and services to population centers from the state’s major distribution and warehousing hubs along Interstate 5.